

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(Investigation No. 332-457)

Economywide Simulation Modeling: Technical
Analysis of the Free Trade Area of the Americas

AGENCY: United States International Trade Commission

ACTION: Institution of investigation

SUMMARY: Following receipt on July 21, 2003 of a request from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332 (g)), the Commission instituted investigation No. 332-457, *Economywide Simulation Modeling: Technical Analysis of the Free Trade Area of the Americas*.

BACKGROUND: The USTR stated that the purpose of the investigation and report is to assist the Administration in examining the economic impacts that might result from the Free Trade Area of the Americas (FTAA) by attempting to link large-scale models. As requested by the USTR, the Commission will provide a report to the USTR containing the following:

- (1) changes in production, trade, and prices that may be associated with implementation of the Free Trade Area of the Americas (FTAA) with specified regional and sectoral aggregations, as estimated using the Commission's U.S. CGE (computable general equilibrium) Model, and
- (2) trade policy changes to be used with specified regional and sectoral aggregations, as employed in the Global Trade Analysis Project (GTAP) CGE Model.

As requested by the USTR, the Commission will provide its report no later than 6 months from the date of receipt of the letter. The USTR stated that the Commission's analytical products and working papers in this investigation are to be classified as confidential and that the USTR considers the Commission's analytical products to be inter-agency memoranda that will contain pre-decisional advice subject to the deliberative process privilege. Accordingly, the Commission does not plan to issue a public report.

By way of background, the USTR noted the ongoing FTAA negotiations and that the Administration is conducting an environmental review of the proposed trade agreement. The USTR also referenced efforts connected to this review involving the Commission, the Environmental Protection Agency, and the U.S. Department of Agriculture, Economic Research Service, to link large-scale models, on an experimental basis, in order to estimate and examine aspects of the environmental effects of the trade agreement. Additional information on this review process can be found on USTR's web site (<http://www.ustr.gov/environment/analysis.pdf>).

EFFECTIVE DATE: August 11, 2003

FOR FURTHER INFORMATION CONTACT:

- (1) Project Manager, William Donnelly (202-205-3225 or wdonnelly@usitc.gov)
- (2) Deputy Project Manager, David Ingersoll (202-205-2218 or ingersoll@usitc.gov)

Mr. Donnelly is in the Commission's Office of Economics and Mr. Ingersoll is in the Commission's Office of Industries. For information on legal aspects of the investigation, contact William Gearhart of the Commission's Office of the General Counsel at 202-205-3091 or wgearhart@usitc.gov.

WRITTEN SUBMISSIONS: The Commission does not plan to hold a public hearing in this investigation. However, interested persons are invited to submit written statements concerning the investigation. Written statements should be received by the close of business on October 1, 2003. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. The Commission may include such confidential business information in the report it sends to USTR. All submissions should be addressed to the Secretary at the Commission's office in Washington, D.C. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's Rules (19CFR 201.18) (see Handbook for Electronic Filing Procedures, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf). Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810.

By order of the Commission.

Marilyn R. Abbott
Secretary

Issued: August 13, 2003